Steps taken by SEBI for small investors

1077. DR. B. B. DUTTA: Will the Minister of FINANCE be pleased to state:

(a) the steps taken by SEBI to protect small investors and develop capital market; and

(b) how for these have helped in achieving these basic objectives?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) Several measures have been taken by the Securities and Exchange Board of India (SEBI) for protecting the interests of small investors and developing the capital market. These, inter-alia, relate to restructuring the Governing bodies of stock exchanges with stockbroker Directors and outsiders on a fifty-fifty basis, inspection of books and other document of various intermediaries in the stock market such as stock exchanges and stock-brokers, prescription of capital adequacy norms for stock-brokders, prescription of norms for regulation of transaction in securities between clients and stock-brokers, issue of guidelines for disclosure and investor protection for compliance by issuers of capital in the primary market, and vetting of offer documents of companies before raising of capital.

(b) The various measures initiated by SEBI have strengthened investor protection in the securities market and contributed to enhancing investor confidence. These measures have also facilitated the further development of the capital market.

Anti-inflationary strategy by Government

1078. DR. B. B. DUTTA: Will the Minister of FINANCE be pleased to state:

(a) the reasons for the double digit inflation rate;

(b) the details of the anti-inflationary strategy adopted by Government;

(c) whether the stretegy has failed to achieve the objectives; and

(d) if so, the reasons therefore?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) Rise in the inflation rate to over 11 per cent level is ascribed to a number of factors such as: the spill over effects of the high fiscal deficit in 1993-94 and production shortfalls in key commodities such as sugar, cotton, jute and groundnut causing short-term suply imbalances. There was also the cumulative impact of large increases in the minimum support prices continuously for the past three years resulting in higher primary product prices thus generating upward pressures on prices of wage goods. Another significant factor was the high growth of monetary variables owing to strong build up of the foreign exchange reserves.

(b) to (d) A number of steps have been taken to contain the price rise of essential commodities. The price of wheat has been stablised at last year's level through open market sale of over 3.4 million tonnes from public stocks by FCI. Open market sale of rice from public stocks is likely to pick up after the Government reduced the open market sale price from January, 1995 Placing import of sugar under OGL at zero duty and import of nearly 10 lakh tonnes by Government for public distribution system has helped in bringing down price of sugar which is now marginally lower than last year. Import of palmolein oil was placed on OGL in April, 1994. About 1.07 lakh tonnes of palmolein was imported at concessional duty of 20 per cent for augmenting supplies through PDS. Recently, effective March, 1995 all major edible oils (except coconut oil) were placed on OGL at reduced duty

of 30 per cent. All the supply side policy measures taken so far are likely to bring about moderation in the inflation rate. The Government remains vigilant in ensuring adequate availability of essential commodities, particularly, rice, wheat, sugar and edible oils and will comfortable foreign exchange reserves.

Recruitment in Banks for N. E Region

1079. DR. B. B. DUTTA: Will the Minister of FINANCE be pleased to state:

(a) what is the percentage of manpower recruitment from North-East Region in banks;

(b) whether percentage of Assam and other North-Eastern States is low;

(c) if so, the reasons therefor; and

(d) the steps taken to increase the share of North-Eastern region in recruitment in banks?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) to (d) The statistical information in the manner asked for is not available. However, recruitments by Banking Service Recruitment Boards are made on all India basis and candidates from any part of the country are eligible to appear in the recruitment exercises conducted by each of 15 Banknig Service Recruitment Boards located in various parts of the country. Selections are made purely on merit and no reservation/share is earmarked for any region|state. As far as North-East region is concerned. there is a Banking Service Recruitment Board loacted at Guwahati which conducts examinations to provide candidates in clerical cadre to all the banks for their offices operating in that region. It also recruits officers for the United Bank of India.

Gap between total txpenditure and current revenue

1080. DR. B. B. DUTTA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that rising gap between total expenditure and current revenue over the last decade has set in motion a vicious cycle of increased borrowings, higher Debt and increase in interest payments;

(b) If so, steps taken to break this viciousc cycle; and

(c) what have been the results so far?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) The rising fiscal deficit over the eighties contributed to the rising trend in debt.

(b) Fiscal deficit has been reduced from 8.3 percent in 1990-91 to 6.7 percent of GDP in 1994-95 (RE) and 5.5 percent of GDP in 1995-96 (BE). This decline is due to reduction in expenditure on subsidies, defence and capital expenditure net of interest payments as percentage of GDP.

(c) Total outstanding liabilities which have been rising since 1980-81 has been stabilised. It is budgeted to be about 57.5 percent of GDP in 1995-96 (BE).

Recommendations of tax reforms committee

1081. DR. B. B. DUTTA: Will the Minister of FINANCE be pleased to state:

(a) what are the major recommendations of the Tax Reforms Committee;

(b) how far these have been implemented; and